IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 692 OF 2007
CONNECTED WITH
COMPANY APPLICATION NO.760 OF 2007

In the matter of scheme of Arrangement between Silverline Technologies Limited and Silverline Animation Technologies Limited and their respective shareholders.

Silverline Technologies Limited, Petitioners.
(Transferor/demerged Co.)

WITH

COMPANY PETITION NO. 693 OF 2007
CONNECTED WITH
COMPANY APPLICATION NO.761 OF 2007

Silverline Animation Technologies Ltd. Petitioners.

Mr Ravi Kadam, senior counsel, with Mr Sham Mehta with Mr Abhijit P.Kulkarni and Rajesh Shah i/b Rajesh Shah & Co. for the petitioners.

Mr C.J.Joy with Mr J.C.Mishra, for R.D. in both the petitions.

CORAM: D.B.BHOSALE, J.
DATED: 26.10.07.

P.C.:

1. Heard learned counsel for the parties.

2. The sanction of the court is sought under sections 391 to 394 of the Companies Act, 1956 to a scheme of demerger of the Animation business of Silverline Technologies Limited (for short, "transferor/demerged company") into Silverline Animation Technologies Private Ltd (for short,

"transferee company").

3. Mr Kadam, learned senior counsel appearing on behalf of the Petitioners, has stated before the court that insofar as the transferor/demerged company is concerned: (i) the meeting of the equity shareholders convened on 11.8.2007 has approved the scheme by majority of 99.22 percent of the members present and voting; (ii) there are no secured creditors; and (iii) individual notices were dispatched to all the unsecured creditors in pursuance of the directions issued by this court while dispensing with the convening of the meeting of the unsecured creditors.

4. Insofar as the transferee is concerned, the court has been informed by the learned senior counsel that: (i) all the shareholders have granted their consents; and (ii) there are no secured and unsecured creditors.

5. The Regional Director in their affidavit dated 12.10.2007 has raised the following objections:

> "(a) Authorised share capital of the Resulting company is not sufficient to issue shares to the shareholders of the demerged company. Hence if the resulting company if increases its authorized capital in order to issue equity shares under this scheme, then resulting company may be directed to comply with the provisions of section 94/97 read with Schedule X of Companies Act,1956 in respect of necessary forms with the Registrar of Companies after

payment of ROC and stamp duty as applicable.

(b) Registrar of Companies has received two complaints against the demerged company, i.e. one from Shri Dhirendra Gandhi and another from M/s Manaras Stock Private Limited in respect of which ROC has issued letters dated 6.9.2007 and 14.9.2007 respectively to the demerged company. In this connection the demerged company may be directed to submit clarification before this Hon'ble Court in respect of the said complaints."

In reply to these objections, the Vide Chairman of the petitioners-company has filed an affidavit dated 18.10.2007 and has stated that the petitioners-company will comply with all the requirements of the provisions of section 94/97 read with Schedule X of the Companies Act in respect of necessary forms with the Registrar of Companies after payment of ROC fees and stamp duty as applicable. The statement is accepted. Insofar as the second objection in respect of the complaints from Dhirendra Gandhi and M/s Manaras Stock Pvt Ltd is concerned, the Vice Chairman has stated that the company has replied vide their letter dated 15.10.2007 to the Regional Director and the Registrar of Companies with a copy thereof to Dhirendra Gandhi and M/s Manaras Stock Pvt Ltd, denying the allegations made by them. I perused both the letters so also the postal certificate. All these documents and the public notice clearly prove the service of notice of the meeting on Dhirendra Gandhi and M/s Manaras Stock Pvt Ltd. I am satisfied with the explanation given by the company in their affidavit dated 18.10.2007. It may be noted that

neither Dhirendra Gandhi nor M/s Manaras Stock Pvt Ltd nor any other concerned has come forward to oppose the scheme.

6. Upon perusal of the entire material placed on record, the scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to any public policy.None of the parties concerned has come forward to oppose the scheme. Moreover, the Regional Director has stated that the scheme as proposed is not contrary to the public interest or prejudicial to the interest of share holders or creditors.

7. There is no objection to the scheme and since all the requisite statutory compliances have been fulfilled, both the Company Petitions are made absolute in terms of prayer clauses (a) to (i).

8. The transferee company to lodge a copy of this order and the scheme with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 30 days of obtaining the certified copy and/or an authenticated copy of the order.

9. The petitioners in both the petitions to pay cost of Rs.5,000/- each to the Regional Director.

10. Filing and issuance of the drawn up order is dispensed with.

. All authorities concerned to act on a copy of this order duly authenticated by the Registry.

(D.B.BHOSALE, J.)